



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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Second District

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Third District

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Fourth District

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Fifth District

February 14, 2013

To: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

## SACRAMENTO UPDATE

### Executive Summary

This memorandum provides an update on the following:

- **Status of County-Sponsored Legislation - AB 331 (Garcia)** - related to the Elections Code, would require that elections consolidated with a Statewide or regularly scheduled county election be conducted under applicable State and Federal laws and county election procedures and practices.
- **Status of County-Advocacy Legislation** - a report on upcoming hearings on County-supported **ABX1 1(Pérez)** and **SBX1 1 (Hernandez and Steinberg)** related to the expansion of Medi-Cal coverage.
- A report on an Assembly informational hearing on the dissolution of redevelopment agencies.

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### Status of County-Sponsored Legislation

**County-sponsored AB 331 (Garcia)**, which, as introduced on February 13, 2013, would require that elections consolidated with a Statewide or regularly scheduled county election, be conducted under applicable State and Federal laws, including relevant

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county election procedures and practices. The bill also would require that local jurisdictions acknowledge in their resolution requesting election consolidation that the election be conducted pursuant to specified provisions required by this measure.

Existing law allows any county, municipal, district, and school district to consolidate local elections. The Registrar-Recorder/County-Clerk notes that in certain consolidated elections, questions have arisen as to the authority of the county election official and the appropriate election procedures which could present a risk to the integrity of the elections process. County elections are conducted in accordance with applicable State and Federal laws. Charter cities in California, however, may adopt additional election policies and procedures. While this practice is within their authority as a charter city, when consolidated with a Statewide or county election it may present additional challenges. Because these municipalities do not conduct Federal or State elections, they could inadvertently adopt policies that may conflict with existing State and Federal election laws. More importantly, the role and jurisdiction of the city election official, as specified in the charter, may overlap or conflict with that of the county election official.

AB 331 would clarify that consolidated election functions, which would include voter challenges, election contests and recounts, are to be conducted and regulated by provisions of existing State and Federal law, as well as county election procedures and practices.

The Registrar-Recorder/County-Clerk indicates that AB 331 would help protect the integrity of county-run elections and ensure a consistent application of election practices and procedures. In addition, this measure will ensure that a district that consolidates an election with a Statewide or county election cannot apply practices that may conflict with State and Federal laws.

County-sponsored AB 331 is consistent with Board approved policy to sponsor or support legislation to expand the Board's existing authority to deny Statewide election consolidation to cases where there is reasonable cause for concern regarding the proper administration of an additional election, including legal and financial considerations.

AB 331 is currently in the Assembly pending referral to committee.

### **Status of County Advocacy Legislation**

**County-supported ABX1 1 (Pérez) and SBX1 1 (Hernandez and Steinberg)**, as introduced in the Special Session on Health Care Reform on January 28, 2013, are identical measures which would expand Medi-Cal eligibility to persons under 65 years of

age with incomes at or below 133 percent of the Federal Poverty Level and make various changes which simplify enrollment and eligibility procedures for persons currently eligible for Medi-Cal in order to conform to provisions of the Federal Affordable Care Act.

The Assembly and Senate Leadership have indicated their plan to move these bills quickly and have scheduled the bills for committee hearings as follows:

- **County-supported ABX1 1 (Pérez)** will be heard by the Assembly Health Committee on February 19, 2013. Prior to that, the Committee will conduct an informational hearing on the Affordable Care Act titled: "The Economy and Coverage Impact of Implementing the Medicaid Expansion and Simplification Provisions."

The bill is scheduled for a hearing in the Assembly Appropriations Committee on February 27, 2013 and is expected to be taken up on the Assembly Floor on February 28, 2013.

- **County-supported SBX1 1 (Hernandez and Steinberg)** will be heard by the Senate Health Committee on February 27, 2013. Prior to that, the Committee will conduct an informational hearing titled: "Implementing the Affordable Care Act's Expansion of Medicaid in California." This measure has not yet been scheduled for a hearing in the Senate Appropriations Committee.

### **Assembly Hearing on Redevelopment Dissolution**

On February 11, 2013, the Assembly Budget Subcommittee on Budget Process, Oversight and Program Evaluation held an informational hearing on the redevelopment dissolution. Specifically, the hearing focused on implementation of ABX1 26 (Chapter 5, Statutes of 2011), which eliminated redevelopment agencies (RDAs) in February 2012, and AB 1484 (Chapter 26, Statutes of 2012), which created a process to transfer housing assets, identify funds that should be remitted to local taxing entities, and develop a long-range property management plan for the disposition of RDA properties.

Representatives from the California Department of Finance (DOF) and the State Controller's Office (SCO) provided an overview of their respective roles and responsibilities in the dissolution process and progress to date. Other stakeholders, including representatives from cities, counties, special districts, affordable housing developers, and school districts were given an opportunity to testify on their experience with the redevelopment dissolution process at the local level.

Subcommittee Chair Assembly Member Bob Blumenfield stated that the purpose of the hearing was to learn what has worked and what has not worked in the dissolution process, and to examine whether the implementation process has balanced the goals of ABX1 26 and AB 1484. Assembly Member Blumenfield asked that any proposed changes to the redevelopment process be applicable Statewide, not based on project or individual city specific issues, and noted that the Legislature could not change the dissolution process "at half time" because it would create more uncertainty.

The Department of Finance reported that redevelopment dissolution is critical to maintaining a balanced State Budget. It is estimated that over a two year period (FYs 2012-13 and 2013-14), there will be approximately \$3.2 billion in Proposition 98 State General Fund savings. These savings will result from \$1.3 billion in residual property tax distributions and \$1.9 billion from the remittance of liquid assets by RDAs. DOF also reported that local taxing entities have to date received billions of dollars in residual property tax distributions, including \$1.6 billion to counties, \$1.2 billion to cities, and \$400 million to special districts.

The Department of Finance also presented information on its various implementation activities, including:

- **Housing Asset Transfers.** 374 housing asset transfers have been received and 85 meet and confer sessions have been held. DOF projects that it will complete the remaining meet and confer sessions later this month.
- **Recognized Obligation Payment Schedules (ROPS).** Over 300 ROPS were submitted, with \$2.0 billion in requests, during that most recent ROPS period. DOF approved 70 percent of requests and denied approximately \$500.0 million of requested obligations.
- **Due Diligence Reviews.** Approximately 340 housing and/or other assets reviews have been submitted. Only 1 review has been completed, and there are 185 pending requests for meet and confer sessions.
- **Finding of Completions (FOCs).** No findings of completions have been issued to date; however, the City of Arcadia is expected to be the first to receive its FOC later this week.
- **Long Range Property Management Plans.** The City of Arcadia submitted its plan and DOF approved it on February 12, 2013.

The Department of Finance closed its presentation by reporting that 17 redevelopment agencies have been completely dissolved and that 384 remain active at this time.

The State Controller's Office presented information on the Transfer of Assets Reviews, through which the SCO identifies assets, including cash, transferred by redevelopment agencies to the city or county that established the RDA or to another local agency. If the SCO finds that the asset was transferred after January 1, 2011, and is not exempt, the asset will be ordered returned to the Successor Agency (SA) for disposition as approved by the SA's oversight board. The SCO has completed 13 of the 400 required reviews, finding \$366.6 million in unallowable transfers. Most of these unallowable transfers occurred in the months after ABx1 26 was introduced and in January 2012 after the California Supreme Court's decision to uphold the constitutionality of the bill. The SCO expects to complete the remaining reviews by the end of this year.

The redevelopment dissolution hearing closed with comments by Assembly Member Toni Atkins, who noted that the Assembly Redevelopment Dissolution Working Group would consider the information and testimony provided at the hearing to determine if legislation is needed to address issues raised. Assembly Member Atkins also requested that the Committee hold redevelopment dissolution hearings on a regular basis to ensure the wind-down activities continue in an efficient and effective manner.

We will continue to keep you advised.

WTF:RA  
MR:KA:IGEA:ma

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants